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May 14, 2015

Mr. Peter M. Reinhardt  
Attorney at Law  
Bakke Norman, SC.  
PO box 280  
Menomonie, WI 54751

Dear Attorney Reinhardt:

I am writing to provide you with my opinion as to the net discount rate to apply in the case of an award of front pay. This is a rate which would be applied through the use of a present value formula.

My opinion is based on available market returns on widely traded U.S. Government securities as well as historical relationships between wage growth and inflation.

My opinion is of two forms:

- (1) If the vocational report suggests that earnings would be constant or close to constant over the future period, then my opinion is that the rates for US Government Treasury bills/notes/bonds should be used. As those vary during trading, I would use the most recent data available at the time of my present value calculations.
- (2) If the vocational report suggests that the earnings would be expected to increase going forward, then I would assume that they would move with inflation, and I would use real (inflation adjusted) US Government Treasury rates.

Both of the above can be found at the US Treasury home page:  
<http://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/default.aspx>

Thank you.

Sincerely,



Fredric R. Kolb, Ph.D.